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Supreme Court of the United States.

No. 605 | October Term, 1953.

GEORGE WASHINGTON PIERCE,
Petitioner,

v.

AMERICAN COMMUNICATIONS COMPANY, INC.,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

DAVID RINES,
No. Ten Post Office Square
Boston 9, Massachusetts
Attorney for the Petitioner.

Rines and Rines,
Robert H. Rines,
Of Counsel.

Blanchard Printing Company, Boston, Mass., Law Printers

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Supreme Court of the United States.

No. October Term, 1953.

GEORGE WASHINGTON PIERCE,
Petitioner,

v.

AMERICAN COMMUNICATIONS COMPANY, INC.,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT.

To The Honorable The Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner, George Washington Pierce, respectfully prays that a writ of certiorari be issued to review the judgment, entered December 18, 1953 (R. p. 680a), of the United States Court of Appeals for the First Circuit in the above-entitled case, in which the petitioner was the plaintiff-appellee. On January 15, 1954 (R. p. 683a), the Court of Appeals denied a petition for rehearing and request for clarification (R. p. 681a).

A certified transcript of the record in the above case, including the proceedings in the said Court of Appeals, is

furnished herewith in compliance with Rule 38 of the rules of this Court.

Summary Statement of the Matter Involved.

This is an action for patent infringement brought by Professor Emeritus George Washington Pierce, of Harvard University. Dr. Pierce has been encouraged by our patent laws to make a number of important inventions (R. p. 508a), among them the piezoelectric-crystal-controlled oscillator that has become known throughout the world as the Pierce oscillator. The Pierce oscillator is covered by the basic patent 2,133,642 (R. p. 531a), in suit, issued October 18, 1938.

The Pierce oscillator has many uses, wherever a source of electric oscillations of constant frequency is needed. The District Court found (R. p. 460a), however, that

> While there are applications in other fields, the primary importance of the patents in suit is in the art of radio broadcasting.

In the art of radio broadcasting the Pierce oscillator is employed as an element of a radio-transmitting system, in order to keep the transmitted radio frequencies constant. The radio-frequency signals broadcasted by the transmitting system may be received simultaneously by many radio-receiving systems, many miles away. Each radio-receiving system may or may not be provided with a Pierce oscillator; if it is, then the combined radio-transmitting-and-receiving system is provided with two Pierce-oscillator elements, one at the transmitter and the other at the receiver.

As stated by the District Court (R. pp. 462a-463a), the plaintiff was stimulated into researches, that resulted in the

invention of the Pierce oscillator, by earlier researches of another pioneer, Professor Walter G. Cady. Scientists have recognized (R. p. 519a) that

> This joint invention by Cady and Pierce is one of the most important inventions made in radio in the past 20 years.

The Pierce oscillator is in wide use throughout the world; among the plaintiff's licensees are the United States Government and some of the leading corporations of the United States; and the plaintiff has collected in the neighborhood of a million dollars in royalties (R. pp. 10a, 11a).

International Telephone and Telegraph Corporation, however, after first obtaining confidential information from the plaintiff, and stating that it did not intend to use the plaintiff's inventions except under a license (R. p. 77a), began to infringe, in violation of the plaintiff's rights. The plaintiff finally entered suit against the defendant, as a customer of Federal Telephone and Radio Corporation, a subsidiary of the I.T.&T. System.

At the time of inventing the Pierce oscillator, the plaintiff made also a number of subsidiary inventions. He endeavored to obtain a single patent covering them all, but this the Patent Office refused to permit. The Patent Office (R. p. 670a) ordered division (now called, in the new Patent Act of 1952, section 121, "a requirement for restriction"). In compliance with this order for division, the plaintiff was compelled to file a number of additional applications, and several of the resulting patents are involved in this same suit. One of the additional applications matured, however, on January 20, 1931, into patent 1,789,496 (R. p. 593a), and expired before the defendant began the infringement complained of in this suit.

Under the provisions of Rule 56, Federal Rules of Civil Procedure, both parties moved for partial summary judgment with respect to the basic Pierce-oscillator patent 2,133,642 only. The issues in the District Court on these motions for partial summary judgment were invalidity, non-infringement, double patenting and laches (R. p. 669a). The District Court granted the plaintiff's motion for partial summary judgment and denied the defendant's motion.

On appeal, the Court of Appeals for the First Circuit vacated the judgment of the District Court, and remanded the case for entry of judgment for the defendant.

The Court of Appeals did not, however, reverse the judgment of the District Court as to any of the said issues relating to invalidity, non-infringement, double patenting and laches. On the contrary, as the decision of the Court of Appeals is understood (the petitioner's request for clarification of the decision was denied, without opinion), the Court of Appeals does not question the validity of the plaintiff's Pierce-oscillator patent 2,133,642. In fact, the Court of Appeals repeatedly refers to the Pierce oscillator as a "significant improvement" and a "distinctive contribution" (R. p. 671a). The Court of Appeals also does not question the holdings of the District Court with respect to the issues of infringement, double patenting and laches.

The decision of the Court of Appeals has gone off, instead, upon an entirely different principle of law, not considered in the District Court, at all.

In order to understand this different principle of law, it will be necessary to refer again to the plaintiff's expired patent 1,789,496. This expired patent 1,789,496, as the Court of Appeals correctly understands, does not relate to oscillators, at all, whether the Pierce oscillator or any other oscillator. It relates rather to a *combination* of a transmitting system for sending signal waves and a receiving system

for receiving the transmitted signal waves. The patentability of this *combination*, as described in the specification of the expired patent 1,789,496, p. 1 (R. p. 595a), col. 1, ls. 34 to 36, depends upon

> a *cooperation* of frequency control at the transmitting station with control at the receiving station (italics supplied).

The Court of Appeals understands that, as recited in claim 2 of the expired patent 1,789,496, this cooperation may be effected by including in the combined transmitting-and-receiving system *two* Pierce-oscillator *elements* of the *combination*, one for controlling the frequency at the transmitting station and the other for controlling the frequency at the receiving station. (It will therefore be convenient to refer to the plaintiff's expired patent 1,789,496 as the plaintiff's *combination* patent, and the plaintiff's unexpired patent as the plaintiff's *element* patent.)

The Court of Appeals understands further, however, that the *cooperation* of the *combination* may be effected also by other *elements* of the *combination* than Pierce oscillators (R. pp. 670a-671a):

> Neither claim 1 nor claim 3 reveal the plaintiff's distinctive contribution to the art of frequency stabilization.

The *cooperation* recited in claim 1 may be effected with the aid of other piezoelectric-crystal-controlled-oscillators than the Pierce oscillator, and

> Claim 3 is even broader, covering any kind of prior art electro-mechanical vibrator.

The Court of Appeals holds, however, that, upon the expiration of the plaintiff's *combination* patent 1,789,496, the public, including the defendant, became free to use the invention covered by claim 2 thereof; and this notwithstanding that the two Pierce oscillators, recited as two *elements* of the combination of this claim 2, each infringes the plaintiff's unexpired *element* patent 2,133,642.

The Court of Appeals rejects the statement of the law, laid down many times by this Court, commencing with as far back as the time of Chief Justice Marshall, that what the Government demands, in consideration of the patent grant, is that the inventor shall file with the Commissioner of Patents a written description of his invention, as required by Section 4888 of the Revised Statutes, in force at the time that the plaintiff applied for his patents. (This Section 4888 has been re-enacted, with changes, in Section 112 of the new Patent Act of 1952.) This statement of law was incorporated into the Patent Statutes in order to persuade inventors not to keep their inventions secret, a practice that, in times gone by, has resulted in the "lost arts" mentioned by Chief Justice Taney. The plaintiff, having made a full disclosure of his Pierce-oscillator invention in his basic patent 2,133,642, is entitled to the full seventeen years protection that the Government promised him when it granted the patent to him, under the provisions of Section 4884 of the Revised Statutes.

The holding of the Court of Appeals for the First Circuit, indeed, is in conflict with decisions of the Courts of Appeals for the Second, Third, Sixth, Seventh and Eighth Circuits and with decisions of Circuit Courts and District Courts in the Second, Third and Fifth Circuits. The decision of the Court of Appeals for the First Circuit is in harmony with a 1906 opinion of a Circuit Court in Illinois, but that opinion has been repudiated by other courts, and was passed

over in silence by the Court of Appeals for the Seventh Circuit. The Court of Appeals for the First Circuit does not, however, cite any of these authorities (except one of them, for a different purpose); and two of the decisions of this Court that the Court of Appeals for the First Circuit does cite, namely, *Saranac Automatic Machine Corporation* v. *Wirebounds Patents Company*, 282 U.S. 704 and *Miller* v. *Eagle Manufacturing Company*, 151 U.S. 186, stand for entirely different propositions.

The decision of the Court of Appeals for the First Circuit, moreover, is contrary to the public policy expressed by the provisions of the Patent Act of 1952. Section 121 of this Act, contrary to the very action taken by the Court of Appeals in the present instance, provides that no court shall use a patent (1,789,496), issued upon an application that the Commissioner of Patents has ordered to be divided from an original application for the basic invention (2,133,-642), as a reference against the patent (2,133,642) into which the original application has matured. In the past, an inventor was compelled to choose between: first, getting no patent, at all, if he refused to comply with an order for division by the Patent Office; and secondly, perhaps having his patent held invalid later by a court, if he did comply. Thousands of patents have been granted, during the seventeen years prior to the taking effect of this new Act of 1952, that would fall within the decision of the Court of Appeals for the First Circuit, if it is allowed by this Court to stand; and the very purpose of this Section 121 of this new Patent Act was to protect inventors from court rulings of the nature that has now been made, in spite of this new Patent Act, by the Court of Appeals for the First Circuit.

It has already been held, by a District Court and the Court of Appeals of the Ninth Circuit, that, under the express provisions of Section 4(a), the new Patent Act is

applicable to unexpired patents (2,133,642) granted prior to January 1, 1953. There has also been a decision by the Court of Customs and Patent Appeals, construing a different portion of the said Section 4(a) than that construed by the District Court and the Court of Appeals of the Ninth Circuit.

Questions Presented.

1. Whether the Court of Appeals for the First Circuit has misunderstood the decision of this Court, in *Saranac Automatic Machine Corporation* v. *Wirebounds Patents Company*, 282 U.S. 704, to stand for the proposition that the public is free to use the invention of an expired patent, without license under an admittedly valid unexpired basic patent.

2. Whether the decision of the Court of Appeals is in conflict with the decisions of the Courts of Appeals for the Second, Third, Sixth, Seventh and Eighth Circuits and with decisions of the Circuit Courts and the District Courts in the Second, Third and Fifth Circuits, to the effect that the public is not free to use the invention of an expired patent without license under a valid unexpired basic patent.

3. Whether such unlicensed use by the public constitutes a deprivation of the property rights granted by the Government under the unexpired basic patent, in accordance with the provisions of Section 4884 of the Revised Statutes, notwithstanding that the patentee has paid the full consideration for the basic patent grant, by disclosing his invention in a written description, filed with the Commissioner of Patents, as required by Section 4888 of the Revised Statutes.

4. Whether the Court of Appeals for the First Circuit has misconstrued the holding of this Court, in *Miller* v. *Eagle Manufacturing Company*, 151 U.S. 186, to the effect

that a second patent for the same invention as an earlier patent is void for double patenting, to mean that the public is free to use the invention of an expired patent without license under an unexpired basic patent that is admittedly valid.

5. Whether the Circuit Court of Appeals for the First Circuit has decided an important question of federal law, with respect to the Patent Act of 1952, which, in conflict with the decisions of the District Court and the Court of Appeals of the Ninth Circuit, has not been, but should be, settled by this Court.

Jurisdiction.

The jurisdiction of this Court to review the above-mentioned decision of the Court of Appeals is invoked under the provisions of Section 240(a) of the Judicial Code, as amended by the Act of June 25, 1948, effective September 1, 1948 [28 U.S.C. Section 1254(1)] and Section 5(b) of Rule 38 of this Court.

The judgment of the Court of Appeals was entered on December 18, 1953 (R. p. 680a). A petition for rehearing, filed December 30, 1953 (R. p. 681a), was denied January 15, 1954 (R. p. 683a).

Some of the previous pertinent decisions of this Court bearing on jurisdiction are:

With respect to the first and fourth questions above, relating to conflict with prior decisions of this Court, and the need for clarifying, explaining or distinguishing such decisions:

U.S. Industrial Chemicals, Inc. v. *Carbide & Carbon Chemicals*, 315 U.S. 668, 669.

Altvater v. *Freeman*, 319 U.S. 359, 363.
Halliburton Oil Cementing Co. v. *Walker*, 329 U.S. 1, 2-3.

With respect to the second question above:

First, in connection with conflict between decisions of different Courts of Appeals:

Wine Railway Appliance Co. v. *Enterprise Railway Equipment Co.*, 297 U.S. 387.
U. S. Industrial Chemicals, Inc. v. *Carbide & Carbon Chemicals*, supra.

Secondly, in connection with conflict between District Courts:

United States v. *Constantine*, 296 U.S. 287, 290.
Hickman v. *Taylor*, 329 U.S. 495, 500.
National Mutual Insurance Co. v. *Tidewater Transfer Co., Inc.*, 337 U.S. 582, 583-584.

With respect to the third and fifth questions above, relating to the construction of the patent laws:

Wine Railway Appliance Co. v. *Enterprise Railway Equipment Co.*, supra.
Sola Electric Co. v. *Jefferson Electric Co.*, 31[illegible] U.S. 173, 175.
Halliburton Oil Cementing Co. v. *Walker*, supra.
United Carbon Co. v. *Binney & Smith Co.*, 317 U.S. 228, 229.

Reasons For Granting The Writ.

In the *Saranac* case, *supra*, this Court said that the public is free to use the invention of an expired patent. In order to prevent further Courts of Appeals misunderstanding this dictum, this Court ought now to clarify its decision in the *Saranac* case, by explaining that the public is not free to use the invention of an expired patent if, by so doing, the public should infringe an unexpired valid basic patent.

This is a vital question for decision by this Court, since it involves every case where an inventor obtains an earlier combination patent and a later element patent or sub-combination patent. It involves, also, every case where a specific patent expires before a valid generic or dominating patent.

It is very important also to resolve the conflict between the decision of the Court of Appeals for the First Circuit with the decisions of the Second, Third, Sixth, Seventh and Eighth Circuit Courts of Appeals and the decisions of the Circuit and District Courts of the Second, Third and Fifth Circuits.

It is believed that it would be very desirable, furthermore, to reassure patentees that, once they have obtained a valid patent, in consideration of their complying with the requirement of Section 4888 of the Revised Statutes, they will be protected in their invention for the full term of seventeen years of the patent grant provided for by Section 4884 of the Revised Statutes.

Our courts should not, moreover, be left in doubt that this Court's holding, in *Miller* v. *Eagle Manufacturing Company*, supra, applies only to later patents that are void for double patenting over earlier patents for the same invention, and is not applicable to later basic patents that are admittedly valid.

The new Patent Act, finally, was enacted for the very

purpose, by restoring the confidence of inventors, to encourage them to continue to invent. Section 121 of this new Patent Act was intended to put an end to all further fears of inventors that a court might not agree with the Patent Office as to the propriety of an order for division. Based upon information received from the Patent Office, it appears that there are presently some fifteen to twenty thousand unexpired patents issued prior to the taking effect of the new Patent Act that have issued on parent and divisional applications. It is therefore extremely important that this Court clarify the status of this large number of patents, so that the public may be informed as to whether the new Patent Act does or does not apply to them. It is believed that this Court will go a long way toward reassuring inventors by interpreting this Section 121 so as to effectuate the public policy that Congress intended to inaugurate.

WHEREFORE, your petitioner respectfully prays that a Writ of Certiorari be issued to the Circuit Court of Appeals for the First Circuit, to the end that this cause may be reviewed and determined by this Court; that the judgment of the Court of Appeals for the First Circuit be reversed; and that your petitioner be granted such other and further relief in the premises as may be just and proper.

Respectfully submitted,

DAVID RINES,
No. Ten Post Office Square
Boston 9, Massachusetts
Attorney for the Petitioner.

RINES AND RINES
ROBERT H. RINES
Of Counsel.

BRIEF IN SUPPORT OF THE FOREGOING PETITION FOR A WRIT OF CERTIORARI.

I. The Opinions Below.

The opinion of the Court of Appeals for the First Circuit (R. p. 667a) reversing the decision of the District Court (R. p. 459a, 111 F.Supp. 181) was rendered December 18, 1953 (R. p. 680a). A petition for rehearing and request for clarification was filed December 30, 1953 (R. p. 681a) and was denied January 15, 1954 (R. p. 683a). The opinion is reported at 208 F.2d 763.

II. Statement Of The Case.

The facts are set forth in the "Summary Statement of the Matter Involved" in the petition for the writ of certiorari.

III. Specification of Errors.

The Court of Appeals For The First Circuit erred:

1. In incorrectly understanding this Court to hold, in *Saranac Automatic Machine Corporation* v. *Wirebounds Patents Company*, 282 U.S. 704, that the public is free to use the invention of an expired patent, without license under an admittedly valid unexpired basic patent.

2. In refusing to follow the decisions of the Courts of Appeals for the Second, Third, Sixth, Seventh and Eighth Circuits and the Circuit and District Courts in the Second, Third and Fifth Circuits, to the effect that the public is not free to use the invention of an expired patent without license under a valid unexpired basic patent.

3. In depriving the plaintiff of the protection granted him by the Government for the full seventeen-year period of the grant of his basic patent 2,133,642, under the provisions of Section 4884 of the Revised Statutes, after he had paid the consideration required by Section 4888 of the Revised Statutes, by disclosing his invention in a written description, filed with the Commissioner of Patents.

4. In misconstruing this Court's holdings, in *Miller* v. *Eagle Manufacturing Company*, 151 U.S. 186, as to the invalidity, for double patenting, of a second patent for the same invention that is covered by an earlier patent, to mean that the public is free to use the invention of an expired patent without license under an unexpired admittedly valid basic patent.

5. In refusing to apply Section 121 of the Patent Act of 1952, providing that no court shall use a patent (1,789,496), issued upon an application that the Commissioner of Patents has ordered to be divided from an original application (for the basic patent 2,133,642), as a reference against the patent (2,133,642) into which the original application matures.

IV. Statutes Involved.

The pertinent provisions of Sections 4(a) and 121 of the new Patent Act of 1952, Public Law 593, 82nd Congress, 2d Session, Chap. 950, 66 Stat. 792, approved July 19, 1952, which took effect on January 1, 1953, prior to the hearing in the District Court, together with an extract from the Report from the Committee On The Judiciary of the House of Representatives, 82nd Congress, 2d Session, House Report No. 1923, May 12, 1952, is quoted in Appendix B. Sections 4884 and 4888 of the Revised Statutes, as in force

at the time of the filing of the plaintiff's patent applications, are also quoted in Appendix B.

V. Summary of Argument.

A. The Court of Appeals for the First Circuit agrees that two valid patents may be granted, at different times, one for a combination, and the other for an element of the combination.

B. The Court of Appeals for the First Circuit considers, however, that the existence of the valid element patent should not prevent the public from using the invention of the combination patent after the expiration of the combination patent.

C. The Court of Appeals for the First Circuit has been led into this error through a misunderstanding of this Court's dictum, in *Saranac Automatic Machine Corporation* v. *Wirebounds Patents Company*, 282 U.S. 704, to the effect that the public is free to use the invention of an expired patent.

D. The holding of the Court of Appeals for the First Circuit is contrary to the law in at least the Second, Third, Fifth, Sixth, Seventh and Eighth Circuits.

E. The holding of the Court of Appeals for the First Circuit disenables the owner of the element patent enjoying the full seventeen years protection of the patent grant, as provided for by Section 4884, Revised Statutes, despite the fact that he has paid the full consideration for such grant, in accordance with the provisions of Section 4888, Revised Statutes.

F. The Court of Appeals for the First Circuit has also misconstrued this Court's decision in *Miller* v. *Eagle Manufacturing Co.*, 151 U.S. 186, to the effect that a second patent for the same invention is void for double patenting, to mean that the public is free to use the invention of an expired combination patent without license under an unexpired basic patent covering one of the elements of the combination.

G. The holdings of the Court of Appeals for the First Circuit are contrary, furthermore, to the express provisions of Sections 4(a) and 121 of the New Patent Act of 1952.

VI. Argument.

A. The Court Of Appeals For The First Circuit Agrees That Two Valid Patents May Be Granted, At Different Times, One For A Combination, And The Other For An Element Of The Combination.

In *The Suffolk Company* v. *Hayden*, 3 Wall 315, 316, this Court considered three inventions, all made by the same inventor, Hayden, and all consisting of improvements in

> an elongated trunk previously in use for cleaning cotton.

The first of these

> improvements consisted in certain described changes made by Hayden in the *interior* arrangements of an elongated trunk previously in use for cleaning cotton (italics the Court's).

This first invention may be called the *element* invention.

The second invention consisted of

> another distinct improvement, not in the interior arrangements of the elongated trunk, but in the *form* of the trunk (italics the Court's).

(Just what this second "distinct improvement" consisted of is described at the top of page 316.) The third invention consisted of a *combination* of the first and second inventions. This *combination* invention consisted of

> this new improvement in the form of the trunk . . . *in combination with his other improvements* [the element invention] *in the interior arrangements of the trunk* (italics the Court's).

Hayden obtained, at different times, two patents covering these three inventions. The earlier patent, issued March 17, 1857, claimed the second improvement and the third improvement (the *combination* invention) in the same patent; it claimed

> the improvement in *the form of the trunk*, both separately [the second invention], and in combination [the combination invention] with his improvements in the interior arrangements of the trunk [the element invention] (italics the Court's).

In this earlier patent Hayden did not, however, claim the *element* invention;

> but he *made no claim in this specification to his improvements in the interior arrangements of the trunk* (italics the Court's).

This *element* invention,

> *his improvements in the interior arrangements of the trunk,*

however, Hayden claimed in his later patent, issued December 1, 1857.

In his earlier patent, therefore, Hayden claimed a *combination,* one *element* of which constituted the subject-matter of his later patent.

The defendant, in that suit, argued that the failure, in the earlier *combination* patent, to claim the element *as an element* (instead of in *combination*) invalidated the later *element* patent, p. 317:

> the defendants' counsel at the trial, requested the judge to rule that the [later *element*] patent was void, because the improvements in the interior arrangements of the trunk [the *element*] . . . *not* claimed [as an element, but only in combination] in the [earlier *combination*] patent of the 17th of March were *by the legal operation of the last-mentioned* [combination] *patent surrendered to the public use* (italics the Court's).

This Court held, p. 318, however, that the later *element* patent, was not invalidated by the prior issue of the *combination* patent.

The earlier *combination* patent, issued March 17, 1857, corresponds to the plaintiff's expired *combination* patent 1,789,496; and the later *element* patent, issued December 1, 1857, corresponds to the plaintiff's unexpired element patent 2,133,642.

According to the holding of this Court, in The Suffolk

Company case, therefore, the plaintiff's unexpired *element* patent 2,133,642 was not invalidated by the prior issue of the plaintiff's *combination* patent 1,789,496.

The Suffolk Company case was followed by a large number of cases in this Court and other courts to the same effect, namely, that, first, an *element*, and, secondly, a *combination* including the element, may represent different inventions that will support separate patents.

In *Leeds and Catlin Company* v. *Victor Talking Machine Company*, 213 U.S. 301, 318, 320, this Court said:

> A combination is a union of elements, which may be partly old and partly new, or wholly old or wholly new. But whether new or old, the combination is a means—an invention—distinct from them. They, if new, may be inventions and the proper subjects of patents, or they may be covered by claims in the same patent with the combination.
>
> But whether put in the same patent with the combination or made the subjects of separate patents, they are not identical with the combination. To become that they must be united under the same cooperative law. Certainly, one element is not the combination nor in any proper sense can it be regarded as a substantive part of the invention represented by the combination . . . that claim is for a combination, and one element is not the combination. Indeed, all of the elements are not. To be that—to be identical with the invention of the combination—they must be united by the same operative law. Of course, an element is a part, an essential part of the combination, and enters as an operative agent in the performance of its functions. But this does not make it identical with the combina-

> tion. It may be novel, patentable of itself, subject to its own special monopoly, or it may be free for everybody's use, but whether free or not free, free when the combination was formed (invented) or became free, it is not identical with the combination.

On page 319, this Court said further:

> Each invention is given the full period of seventeen years, which the statute prescribes for it.

In *Mercoid Corporation* v. *Mid-Continent Investment Co.*, 320 U.S. 661, 667-668, this Court repeated that

> the combination is the invention and it is distinct from any of them [the elements of the combination].

In *Railroad Company* v. *Dubois*, 12 Wall. 47, 60, this Court said:

> Undoubtedly a patentee may claim and obtain a patent for an entire combination, or process, and also for such parts of the combination or process as are new and useful, or he may claim and obtain a patent for both.

In *Special Equipment Co.* v. *Coe*, 324 U.S. 370, 377, this Court said further:

> The statutes permit, and it is the settled practice of the Patent Office, many times sustained by this Court, to allow, claims to a combination and also its sub-combinations.

In *Hookless Fastener Co.* v. *H. L. Rogers Co., Inc.*, S.D.N.Y., 1928, 26 F.2d 264, 266, the Court held that a combination, including a slider as an element, was not the same invention as the slider itself.

In *Scovill Mfg. Co.* v. *Radio Corporation of America,* S.D.N.Y., 1935, 9 F.Supp. 239, 242, claim 16 of patent 1,618,017 specified a circuit containing, as an element, the same novel condenser that was covered by the condenser claims of patent 1,258,423.

In *Electric Storage Battery Co.* v. *Buffalo Electric Carriage Co.,* C.C., N.Y., 1902, 117 F. 314, aff. 2 Cir., 1903, 120 F. 672, certiorari denied, 188 U.S. 741, p. 68, Appendix C, *infra,* the Circuit Court and the Court of Appeals for the Second Circuit held that a patent for an electrode element of a battery combination was valid and infringed, notwithstanding the prior issue, to the same inventor, of a patent for the battery itself, embodying several of the electrodes as elements of the battery.

In re Carlton, C.C.P.A., 1935, 77 F.2d 363, 365, cited by the District Court, affords a further illustration. An inventor had obtained a patent for a new sandpaper. Claim 33 of the patent recited a sandpaper combination comprising, as an element, in addition to a flexible backing (the paper) and the abrasive grains (the "sand"), a novel waterproof adhesive or binder for holding the abrasive grains to the flexible backing. It was held that the patentee was entitled to a second patent for the element itself, namely, the novel waterproof adhesive or binder.

In re Ferenci, C.C.P.A., 1936, 83 F.2d, 279, 286, the Court of Customs and Patent Appeals ruled:

> Surely, it could not anywhere be plausibly urged that the invention defined by the wrapping material severing means in claim 47 is the same invention as the combined machine as a whole. . . .

The last two cases furnish illustrations of the practice in the Patent Office. The practice is stated more generally in *Application of Coleman,* C.C.P.A., 1951, 189 F.2d 976, 979, cited in the decision of the Court of Appeals (R. p. 676a):

> It is settled law that a party might be entitled to a patent for a combination *because of the cooperation of the elements contained therein,* and at the same time be entitled to a separate patent for one of the elements of the combination (italics the Court's).

The test, the Court of Customs and Patent Appeals said,

> is whether two or more different concepts are involved. . . .

If not,

> the separately claimed element constitutes the essential distinguishing feature, . . . different concepts are not involved, the inventions are not distinct, and double patenting will be found.

It is otherwise, however,

> where the element does not constitute the sole distinguishing novelty in the combination.

In such cases, the inventor has made two distinct and separate inventions: one, the element; and the other a combination including that precise element. In such cases, the Patent Office has granted two patents, and the Courts have sustained the two patents.

This is the law also in the First Circuit. In *Palmer* v.

John E. Brown Mfg. Co., 1 Cir., 1899, 92 F. 925, 929, the Circuit Court of Appeals for the First Circuit held that a patentee was entitled to two patents, one covering a *combination*, namely, a quilting machine, and the other a mechanical movement that constituted an *element* of the quilting-machine *combination:*

> a correct expression of the relation of the two patents is that the invention covered by one is merely an *element* in a *combination* covered by the other (italics supplied).

If, therefore, the plaintiff had brought the present suit prior to the expiration of his *combination* patent 1,789,496, the Court of Appeals for the First Circuit would have held this *combination* patent 1,789,496 and the *element* patent 2,133,642 both valid and infringed.

B. *The Court of Appeals For The First Circuit Considers, However, That The Existence Of The Valid Element Patent Should Not Prevent The Public From Using The Invention Of The Combination Patent After The Expiration Of The Combination Patent.*

The Court of Appeals for the First Circuit rules that a different rule should apply, however, after the expiration of the combination patent 1,789,496. The Court of Appeals bases this ruling upon a misunderstanding of this Court's holding in *Saranac Automatic Machine Corporation* v. *Wirebounds Patents Company*, 282 U.S. 704, to the effect that, as stated on pp. 709-710, "the public is free to use" the invention of an expired patent.

Based upon this misunderstanding, the Court of Appeals

holds that, after the expiration of the plaintiff's *combination* patent 1,789,496, the plaintiff's *element* patent 2,133,642 is still valid; and also that this *element* patent is infringed by the use of the Pierce-oscillator *element* in other *combinations;* but that, as to the *combination* of the combined transmitting-and-receiving system covered by claim 2 of this expired *combination* patent, 1,789,496, there can not be any infringement, because that *combination* patent 1,789,496 has expired, and the public is free to use the combination of an expired patent (R. p. 679a):

> With respect to combined transmitting and receiving systems utilizing the Pierce oscillator, such as the accused structures, the plaintiff has suffered no hardship because of the delayed issuance of his basic patent No. 2,133,642. The plaintiff by means of patent No. 1,789,496 has already received the full seventeen years of protection granted him by law on such systems. We cannot now extend that monopoly under the mantle of patent No. 2,133,642. *Saranac Mach. Co.* v. *Wirebounds Co.*, supra.

C. ***The Court Of Appeals For The First Circuit Has Been Led Into This Error Through A Misunderstanding Of This Court's Dictum, In Saranac Automatic Machine Corporation v. Wirebounds Patents Company, 282 U. S. 704, To The Effect That The Public Is Free To Use The Invention Of An Expired Patent.***

This Court has never decided, however, whether in the *Saranac* case or any other case, that the public is free to use the invention of an expired patent, if such use infringes a valid unexpired basic patent. This Court has many times,

by way of dicta, used language to the effect that the public is free to use the invention of an expired patent, but that language was based on the assumption that such use did not infringe a valid unexpired patent.

All that this Court decided, in the *Saranac* case, was that the patent in suit was invalid, for want of invention. It was through the medium of that invalid patent that the attempt was made to extend the monopoly of an expired patent.

If that invalid patent in suit had been valid, on the other hand, this Court would, of course, have held that the public was not free to use the invention of the expired patent without first obtaining a license under the assumedly valid patent in suit.

In the present instance, the validity of the plaintiff's unexpired basic patent 2,133,642 is thoroughly established; and the only question is whether the defendant is free to use the Pierce-oscillator *element* (or, rather, the two Pierce-oscillator *elements*) covered thereby in the *combination* of the expired patent 1,789,496.

To return to *The Suffolk Company* case, would this Court have held that, upon the expiration of the earlier *combination* patent, the public would have been free to use that combination, notwithstanding that such use would have infringed the later *element* patent?

This is an important question, for it is involved in every case where an inventor obtains an earlier *combination* patent and also a later *element* patent. The question arises also in every case where an inventor obtains an earlier *combination* patent and also a later *sub-combination* patent. There are tens of thousands of such patents in existence.

With one exceptional decision, this question has always heretofore been answered contrary to the answer given by the Court of Appeals for the First Circuit.

D. *The Holding Of The Court Of Appeals For The First Circuit Is Contrary To The Law In At Least The Second, Third, Fifth, Sixth, Seventh and Eighth Circuits.*

The exceptional decision was handed down in *Thomson-Houston Electric Co.* v. *Illinois Telephone Const. Co.*, C.C., Ill., 1906, 143 F. 534. In that case, the Circuit Court held, p. 539, that the invention of an expired patent should be deemed public property at the date of its expiration. The Circuit Court refused to agree that, p. 537,

> the combination could not be appropriated by the public until the expiration of the patent in suit, without infringing the latter.

This exceptional decision in the *Illinois Telephone* case has not, however, been followed by the Courts. The Circuit Court's own Court of Appeals for the Seventh Circuit did not follow it, 152 F. 631, but, on the contrary, when obliged later to rule on the point, made a contrary ruling, p. 35 *infra;* and the law is contrary to this decision in at least the Second, Third, Fifth, Sixth, Seventh and Eighth Circuits.

Insofar as the Third Circuit is concerned, the Circuit Court, in New Jersey, refused to follow this *Illinois Telephone* decision in an unreported decision, *Thomson-Houston Electric Company* v. *Sunday Creek Company,* C.C., N.J., 1906, Equity, No. 5233. A certified copy of this decision is filed herewith as Exhibit I, and the decision is reproduced as Appendix A. The Circuit Court said (p. 63, *infra*):

> Whatever was claimed by the expired patent is open to public use, but nothing more. And if such use trenches upon the claims of an existing generic patent, then a license must be obtained from the holder of the existing patent, or such use will be enjoined.

The District Court for the District of Connecticut actually did follow the *Illinois Telephone* decision, at an interlocutory stage, but reversed itself, at final hearing, *Waterbury Buckle Co.* v. *G. E. Prentice Mfg. Co.*, 294 F. 930, 938-939, after being advised to do so by the Court of Appeals for the Second Circuit, *Waterbury Buckle Co.* v. *G. E. Prentice Mfg. Co.*, 2 Cir., 1922, 286 F. 358, 361. The plaintiff, in that case, was the assignee of two patents to two different inventors, Smith and Peller. The Smith patent covered an improvement upon a buckle that was dominated by the Peller patent. The question was whether, after the expiration of the improvement patent to Smith, the plaintiff could sue, for infringement of the basic unexpired Peller patent, one who was using the precise improved buckle disclosed in the expired Smith patent. The "cardinal feature of the case," as stated by the District Court, 294 F. 937, was

> the question of the legal right of the defendant, as one of the public, after the expiration of the Smith patent, to make the exact form of buckle shown in that patent. To deny that right, the defendant asserts, will defeat the statute and prolong the monopoly. This is forcibly stressed by the defendant, in view of its assertion that it is manufacturing only the buckle devised by Smith, and on which the patent has expired.

The Court of Appeals for the Second Circuit ruled, 286 F. 361:

> We think that the Smith patent having expired, the monopoly granted during the 17 years no longer affected or restricted the public in the use of the idea or inventive thought disclosed, and the public is at liberty

> to use the information derived from the publication of the Smith specifications, *provided that by so doing they did not infringe some other valid patent still in force* or upon any other restrictive law or ordinance. But the patent in suit having still, at the time of the commencement of the action, some time to run, must be respected, and the rights thus accorded to the appellant must be protected (italics supplied).

The Circuit Court and the Court of Appeals for the Second Circuit had expressed themselves to the same effect with equal emphasis even earlier, *Electric Storage Battery Co.* v. *Buffalo Electric Carriage Co.*, C.C., N.Y., 1902, 117 F. 314, aff. 2 Cir., 1903, 120 F. 672, certiorari denied, 188 U.S. 741, p. 21, *supra*, p. 68, Appendix C, *infra*, in connection with a situation in which the expired patent covered a combination and the unexpired patent, to the same inventor, an element of the combination.

With regard to the Fifth Circuit, in *Food Machinery Corporation* v. *American Fruit Machinery Corporation*, D.C., Fla., 1945, 64 U.S.P.Q. 455, the court refused to permit the defendant to practice the invention of an expired patent to Lister where, by so doing, it would infringe two valid unexpired patents to Jones. The expired Lister patent and the two unexpired Jones patents were owned by the same assignee.

In this case, as in the *Waterbury Buckle Company* case, the expired and the unexpired patents, though owned by the same assignee, were issued to different inventors. That, however, does not, in any way, alter the reasoning, as was clearly pointed out in *Thomson-Houston Electric Co.* v. *Ohio Brass Co.*, 6 Cir., 1897, 80 F. 712, 726-727, in a decision by three judges, all of whom later graced the bench of this Court, and which was written by the future Chief Justice,

William Howard Taft. Two of the patents considered in that case bore the relation of basic and improvement patents. The decision reads:

> It can make no difference in considering this question whether the patent for the improvement issues to the patentee of the main invention or to another. The right of the public to use the improvement when the patent on it expires is exactly the same, whether the patentees of the two inventions are the same or not, because in each case the improvement can only be used with the license of the patentee of the main invention.

In fact, Judge Taft foresaw the possibility of the two patents being issued to different inventors, and then assigned to a common assignee:

> Did the personality of the owner of two different patents affect the validity of either, then the anomalous result would follow that the owner of one patent would avoid it by acquiring ownership of another. According to the argument of counsel, the patentees of the earlier improvement patent and of the later main patent being the same person, the main patent is void. Let us suppose that they were different persons, but that, by mesne assignments, the two patents became the property of one person; the effect upon the public use of the improvement patent is exactly the same as if the now owner had been the inventor and patentee of both. Does the unity of title avoid the main patent, which was valid before? It must do so if the argument of counsel for defendant in this behalf is to be followed, for the effect of the unity of title is "to extend the monopoly" of the earlier improvement patent in the sense in which counsel uses that phrase. To our minds, this conclusion is reductio ad absurdum.

This very Court had arrived at the same conclusion even earlier, *O'Reilly* v. *Morse,* 15 How. 62, 122. Samuel F. B. Morse, the inventor of the telegraph, obtained both a broad patent and an improvement patent. This Court said:

> But there is nothing in the act that forbids him to take out a new patent for the improvement if he prefers it. Any other inventor might do so: and there can be no reason in justice or in policy, for refusing the like privilege to the original inventor.

The law of the *Ohio Brass Co.* case was re-stated, by the same court, in *Dayton Fan & Motor Co.* v. *Westinghouse Electric & Mfg. Co.,* 6 Cir., 1902, 118 F. 562, 571:

> If such an invention of improvements were made by a stranger, it cannot be doubted that he would be entitled to a patent for it. It might be that it would be impracticable for him to use it without acquiring the privilege of the underlying invention; nor could the owner of the latter use the improvement, except by treaty with the owner of it. And no valid reason exists why the patentee of an invention may not enjoy the privilege of a stranger in thereafter obtaining a patent for an independent invention made by him, although it relate to the matter of his former patent, and was described, but not claimed, therein, provided he has not dedicated such independent invention to the public; and this, in the present instance, the patentee had not done. And we applied the rule, where the same person was the author of both inventions, in *Thomson-Houston Electric Co.* v. *Ohio Brass Co.,* 26 C.C.A. 107, 80 Fed. 712.

The law of the *Ohio Brass Co.* case and the *Dayton Fan* case was again followed, by the same court, in *Cleveland Foundry Co.* v. *Detroit Vapor Stove Co.*, 6 Cir., 1904, 131 F. 853, 858-859, and once again in *Wirebounds Patents Co.* v. *Saranac Automatic Mach. Corporation*, 6 Cir., 1930, 37 F.2d 830, 837-838. The dissenting opinion, p. 842, in the last-named case, did not question the authority of these decisions; it held merely that the patent in suit was invalid for lack of invention.

This Court, when the *Saranac* case reached it, also did not question the authority of these decisions; this Court merely agreed with the dissenting opinion that the patent in suit was invalid for lack of invention, *Saranac Automatic Machine Corporation* v. *Wirebounds Patents Company*, 282 U.S. 704, 715:

> The question therefore is not one . . . of double patenting . . . It is the attempted extension of the monopoly of the expired reissue patent . . . by resort to the machine patent, and to the work holder . . . which cover . . . but a mechanical device which does not involve invention.

A quotation has been given above, p. 19, from this Court's decision in *Leeds and Catlin Company* v. *Victor Talking Machine Company*, 213 U.S. 301, 318, to the effect that a combination and an element of the combination are distinct inventions. On the same page 318, this Court said also:

> A process and an apparatus by which it is performed are distinct things.

The same rules of law discussed above, in connection with combination patents and element patents, are there-

fore applicable also to process and apparatus patents. The process and apparatus patents are both valid. Upon the expiration of the process patent, therefore, the public, unless licensed, is not free to use the invention of the unexpired apparatus patent; and, conversely, upon the expiration of the apparatus patent, the public, unless licensed, is not free to use the invention of the unexpired process patent.

It has been stated above, p. 28, that, in the *Ohio Brass Co.* case, the earlier patent covered an improvement upon the device of the later basic patent. It has also been stated that the Court of Appeals for the Sixth Circuit reiterated the rule of the *Ohio Brass Co.* case in the *Dayton Fan & Motor Co.* case. In the *Dayton Fan & Motor Co.* case, however, the inventions of the two patents 416193 and 511559 were not related in the manner of a basic invention and an improvement patent; they were related to each other in the manner of machine and method.

In the *Dayton Fan & Motor Co.* case, it was argued that the invention of the electric motor of the earlier patent 416,193 could not be practiced without using the method covered by the later patent 511,559 issued to the same inventor. This method, it was argued, p. 571, was "necessary to the use" of the motor. The Court of Appeals for the Sixth Circuit nevertheless held, p. 570, that this did not invalidate the later method patent:

> To be sure, if the mechanical means [the motor] employed are the subject of a patent [416,193], the party who uses the process [covered by the method patent 511,559] must have or secure the right to use the patented method.

The Court continued, p. 571, that the invention of the method covered by patent 511,559

> no more covers the separate invention of the former patent [416,193] than does every broad patent cover every invention of special matter covered by such broad invention.

On pp. 572-573, the Court said that

> the former patent [416,193] is for an independent invention of special means [the motor] for fulfilling some of the requirements of the broad [method] patent [511,559] . . . an inventor may be entitled to a patent [511,559] for the method or process for producing new and useful results, and also for the means [the motor of the earlier patent 416,193] by which it is produced.

After discussing *Miller* v. *Eagle Manufacturing Co.*, 151 U.S. 186 and *Palmer Pneumatic Tire Co.* v. *Lozier*, 90 F. 732, the Court continued, p. 574, that it would be contrary to the spirit and purpose of these decisions

> to say that independent inventions may not be the proper subjects of independent patents, even though they may relate to the same subject-matter, and one may dominate the other in the same field.

If, in the *Dayton Fan & Motor Co.* case, the suit had been filed after the expiration of the motor patent 416,193, would the Court of Appeals for the Sixth Circuit have held that the public was free to manufacture, use and sell the motor

of that patent 416,193, without first obtaining a license to practice the method of patent 511,559?

This question was answered in the negative by the Court of Appeals for the Eighth Circuit, in *Century Electric Co.* v. *Westinghouse Electric & Mfg. Co.*, 8 Cir., 1911, 191 F. 350, 359, approved by the Court of Appeals for the Sixth Circuit, in the *Saranac* case, 37 F.2d 830, 837. The Court of Appeals for the Eighth Circuit held that patent 511,915, covering a method of operating an electric motor, was not invalidated by a prior patent 445,207, to the same inventor, for the electric motor itself, and this despite the fact that, p. 359,

> the patented process cannot be used without the patented apparatus, nor the patented apparatus without the patented process.

The motor patent 445,207 expired on January 27, 1908, more than three years prior to the date of the decision, November 3, 1911.

The reverse question was also answered in the negative, by the Court of Appeals for the Third Circuit, in *Schute* v. *Hildreth*, 3 Cir., 1925, 8 F.2d 131. In that case, suit was brought for infringement of a machine patent 857,770 after the expiration of a method patent 736,313 to the same inventor, Thibodeau. The Court ruled, p. 134:

> In our view the Thibodeau machine and method are not the same invention but are separate inventions capable of being used and practiced without relation to one another. . . .'
> . . . When, for reasons of their own, the defendants selected and used the machine of the Thibodeau machine patent, they did not practice the method of a dead patent; they infringed a live patent.

This reverse question was answered in the negative also by the Court of Appeals for the Seventh Circuit in *Fehr* v. *Activated Sludge, Inc.*, 7 Cir., 1936, 84 F.2d 948, 956. The Court of Appeals for the Seventh Circuit held that an unexpired apparatus patent 1,282,587 was valid and infringed, notwithstanding the expiration of a corresponding method patent 1,247,540. The application for the apparatus patent 1,282,587 was filed as a division of the application for the method patent 1,247,540, pursuant to an order for division by the Patent Office.

It has been stated above that the Court of Appeals for the Sixth Circuit applied the law, beginning with the *Ohio Brass Co.* decision, in cases where the earlier of the two patents had not yet expired; and also that the courts of other circuits applied this same law in cases where the earlier patents had actually expired. It may be added that a great many additional decisions of other courts have also followed the law of the Sixth Circuit. Attention may be invited, for example, to the decision of the Court of Appeals for the Fourth Circuit, *Montgomery Ward & Co., Inc.* v. *Gibbs*, 4 Cir., 1928, 27 F.2d 466, 469. There can be little doubt but that these other courts would apply the same law in the same way, irrespective of whether the earlier patent has or has not expired.

THE FACT THAT THE PUBLIC IS TEMPORARILY DEPRIVED OF THE RIGHT TO USE THE INVENTION OF THE EXPIRED PATENT DOES NOT EXTEND THE MONOPOLY OF THE EXPIRED PATENT.

In the *Ohio Brass Co.* case, the defendant argued that the monopoly of the earlier patent, p. 726,

> can legally be of no longer duration than 17 years. But the improvement cannot be used except as applied

> to the main invention, and, as the later patent (the one for the main invention) does not expire until some time after the expiration of the patent for the improvement, the monopoly of the improvement patent is in fact extended until the expiration of the later patent (the one for the main invention), and so exceeds the statutory 17 years.

Judge Taft answered this argument as follows:

> we cannot accept its minor premise, to wit, that the later granting of the patent for the main invention extends the monopoly of the earlier improvement patent. The patent for the improvement expires in 17 years. After that any one may use the improvement without infringing the patent issued upon it. *If he uses the improvement without a license to use the main invention he is liable for the infringement, not of the patent for the improvement, but of the patent for the main invention;* and, in estimating the damages for the same, the value of the main invention, and not that of the improvement, would be the basis for estimating the damages (italics supplied).

Judge Taft said that any other rule would be particularly harsh in instances where the issue of the basic patent was delayed in the Patent Office, as was the case in the present instance, through no fault on the part of the inventor, p. 724:

> In cases where the delay in the issuing of the patent for the main invention cannot be charged to the laches or fraud of the patentee, such a rule would be a hard one.

The Court of Appeals for the First Circuit attempts to distinguish the present case upon the ground that, in the *Ohio Brass Co.* case, the earlier patent covered "an improvement on the later issued patent" (R. p. 679a), whereas the *combination* of the plaintiff's expired patent 1,789,496 does not constitute an improvement upon the Pierce-oscillator element covered by the plaintiff's unexpired patent 2,133,642; contrary to the rulings of the Second Circuit, *Electric Storage Battery Co.* v. *Buffalo Electric Carriage Co.*, pp. 21, 28, *supra*, p. 68, Appendix C, *infra*.

The reasoning of the *Ohio Brass Co.* case is not, however, restricted to instances where the earlier patent covers merely an improvement upon the invention of the later patent. It has been shown above that the same reasoning applies in cases where the inventions of the two patents are related as method and apparatus. And in one of the two Supreme Court cases, *The Suffolk Co.* v. *Hayden*, 3 Wall 315, *supra*, upon which Judge Taft relied, in making his holdings, as demonstrated on pp. 16-18, *supra*, the earlier patent covered a *combination*, and the later patent covered an *element* of that combination; precisely the same relation that exists between the plaintiff's expired patent 1,789,496 and the plaintiff's basic patent 2,133,642, and that existed in the litigation in the Second Circuit, pp. 21, 28, *supra*, p. 68, Appendix C, *infra*.

In any event, as was pointed out by the Court of Appeals for the Sixth Circuit, in the *Saranac* case before mentioned, 37 F.2d 830, 839, if the temporary prevention of the use by the public of the invention of the expired patent

> . . . is an evil—sometimes it may be and sometimes not—the remedy is with Congress, not with the courts.

From the fact that the law was not changed, in this particular, by the recently enacted Patent Act of 1952, it may

be concluded that Congress decided that the so-called extension of the monopoly of the expired patent is not an evil.

Judge Taft's reasoning was that, notwithstanding the expiration of the earlier improvement patent, the public is not free to use the basic invention of the unexpired patent because, by so doing, it would be infringing upon the later unexpired basic patent.

And notwithstanding the expiration of an earlier *combination* patent, the public is not free to use that combination without first obtaining a license under the later basic *element* patent.

The reasoning is exactly the same in both cases.

E. ***The Holding Of The Court Of Appeals For The First Circuit Disenables The Owner Of The Element Patent Enjoying The Full Seventeen Years Protection Of The Patent Grant, As Provided For By Section 4884, Revised Statutes, Despite The Fact That He Has Paid The Full Consideration For Such Grant, In Accordance With The Provisions Of Section 4888, Revised Statutes.***

The decision of the Court of Appeals for the First Circuit is based upon the two erroneous propositions: first, that the Government granted the plaintiff the right to manufacture, use and sell the combined transmitting-and-receiving system of his now expired patent 1,789,496; and, secondly, that the plaintiff, in turn, transferred that right to the public upon the expiration of that patent.

The fact, however, is that the plaintiff had the right to manufacture, use and sell the combined transmitting-and-receiving system of his patent 1,789,496 without any grant from the Government, and so did the public. The plaintiff and the public both had this right at common law, *Crown Die & Tool Company* v. *Nye Tool and Machine Works*, 261

U.S. 24, 36, *Herman* v. *Youngstown Car Mfg. Co.*, 6 Cir., 1911, 191 F. 579, 584-585.

The purpose of permitting a patentee to take away the common-law right of the public to practice an invention was very clearly explained, first, by Chief Justice Marshall, *Grant* v. *Raymond*, 6 Peters 218, 247, and later in other decisions of this and other courts. That purpose is to discourage inventors from keeping their inventions secret, *Universal Oil Products Co.* v. *Globe Oil & Refining Co.*, 322 U.S. 471, 484:

> As a reward for inventions and to encourage their disclosure, the United States offers a seventeen-year monopoly to an inventor who refrains from keeping his invention a trade secret.

The keeping of inventions secret has, in the past, resulted in the "lost arts" referred to by Chief Justice Taney in *Gayler* v. *Wilder*, 10 How. 477, 497. The art of making Stradivarius violins is an illustration.

The consideration required of the inventor for the patent grant was accordingly set forth in Section 4888 of the Revised Statutes, in force at the time of the filing of the plaintiff's patent applications, as the disclosure of the invention in a written description filed with the Commissioner of Patents.

Dr. William Thornton, appointed, in 1802, by Secretary of State Madison as the first superintendent of the then newly created Patent Office, issued, in 1811, a circular or pamphlet that is reproduced on pages 98 to 100 of the Journal of the Patent Office Society, Vol. VI, November, 1923. On page 99, Dr. Thornton says:

> The issuing of patents is grounded, not only on a desire to promote the progress of useful arts, but also to prevent the loss of valuable secrets; for many have

> been buried with the inventors, previous to the organization of this system of protection for the property of talent, mind and genius.

Dr. Thornton continued that, formerly, inventors worked with caution, to prevent the infringement of unprotected rights, but that

> at present the law grants a monopoly to the inventor for a limited time, provided the art, invention, discovery, or machine be truly *explained, deposited and recorded,* for the benefit of mankind, when the time limit has expired; and the patent is not only an evidence that *the inventor has formally confided his secret to the public,* but also a declaration of the protection of the right from infringement (italics supplied).

In *Beidler* v. *United States,* 253 U.S. 447, 453, this Court, after quoting from section 4886 of the Revised Statutes, remarked:

> Ever since *Grant* v. *Raymond,* 6 Pet. 218, 247, it has been consistently held that a correct and adequate description or disclosure of a claimed discovery (which, in the case of a machine, involves particularly the operation of it) is essential to the validity of a patent, for the reason that such a *disclosure is necessary* in order to give the public the benefit of the invention after the patent shall expire. The source of the power to grant patents, and the *consideration for granting them, is the advantage which the public will derive from them,* especially after the expiration of the patent monopoly, when the discoveries embodied in them shall become a part of the public stock of knowledge (italics supplied).

Attention is invited also to the before-discussed decision of the Court of Appeals for the Second Circuit, in *Waterbury Buckle Co.* v. *G. E. Prentice Mfg. Co.*, 2 Cir., 1922, 286 F. 359, at pp. 360-361:

> A patent is granted by the government *in consideration of an exchange for the information or disclosure afforded* by the patentee of details of a new and therefore secret improvement in the art, and this disclosure, or information is embodied in the specification, the filing of which is a necessary condition precedent to the grant of the patent. *The consideration for the grant is a complete disclosure by the inventor of his invention,* . . . (italics supplied).

This was repeated by the District Court, 294 F. 930, at p. 938, where the Court cited *Grant* v. *Raymond*, supra, as authority, adding:

> The public gets the advantage of a disclosure of something new, which the inventor might otherwise have kept secret.

Attention is invited further to *Tannage Patent Co.* v. *Zahn*, C.C., N.J., 1895, 66 F. 986, 988:

> The letters patent constitute a contract between the patentee and the public. On the one hand is granted an exclusive use of the invention for a specified term. On the other, by way of consideration, a full disclosure of the invention, in all its parts, must be made.

In *Century Electric Co.* v. *Westinghouse Electric & Mfg. Co.*, 8 Cir., 1911, 191 F. 350, discussed above, the Court said, at p. 354:

> A patent is a contract made by the acceptance by the government of the offer which the patentee by his application makes to disclose his invention, in consideration that the United States will secure to him the exclusive use and sale of it for 17 years.

The Court of Appeals for the First Circuit has violated the plaintiff's contract with his Government. Having paid the full consideration for the grant of his basic patent 2,133,642, the plaintiff obtained property rights in this patent for the full seventeen-year term of the grant as provided for by Section 4884 of the Revised Statutes, in force at the time of the filing of the plaintiff's patent application. He was unable, of course, to prevent infringement prior to the grant of this patent; and the decision of the Court of Appeals has now cut down the period of the term of this patent from seventeen years to only nine years, three months and two days. Of that materially shortened period, furthermore, the plaintiff voluntarily deprived himself of some five years of protection, in order not to interfere with the war effort (R. pp. 84a-85a).

F. *The Court Of Appeals For The First Circuit Has Also Misconstrued This Court's Decision In Miller v. Eagle Manufacturing Co., 151 U. S. 186, To The Effect That A Second Patent For The Same Invention Is Void For Double Patenting, To Mean That The Public Is Free To Use The Invention Of An Expired Combination Patent Without License Under An Unexpired Basic Patent Covering One Of The Elements Of The Combination.*

It has been stated above that the Court of Appeals for the First Circuit misunderstands this Court's decision in

the *Saranac* case. The Court of Appeals for the First Circuit misunderstands also, however, this Court's decision in *Miller* v. *Eagle Manufacturing Co.*, 151 U.S. 186.

The two patents involved in the *Eagle Manufacturing Company* case claimed the same identical spring, shown at D in the drawings on page 191. In one of the patents, this spring D was claimed broadly, as performing a lifting function. In the other patent, the same spring D was claimed specifically, as performing both lifting and depressing functions. This Court held that it was beyond the power of the Commissioner to grant two patents to cover the same identical spring D; and that the second patent was therefore void for double patenting over the first patent.

At the time of rendering his decision in the *Ohio Brass Co.* case, Judge Taft, as appears from pp. 727-728, was fully familiar with the holding of this Court in the *Eagle Manufacturing Company* case.

The Court of Appeals for the First Circuit quotes (R. p. 673a) from page 198 of the *Eagle Manufacturing Company* decision, to the effect

> that no patent can issue for an invention [in that case, the spring D] actually covered by a former patent,

even though the claims of the two patents may differ in breadth. The same quotation reads further, however,

> that where the second patent covers matter described in the prior patent, essentially distinct and separable from the invention covered thereby and claims made thereunder, its validity may be sustained.

It has been shown above that the plaintiff's expired patent 1,789,496 covers a *combination* of a transmitting system and a receiving system the novelty of which resides in a particular *cooperation* of the frequencies of the two systems. It has also been shown that the plaintiff's unexpired patent 2,133,642 covers an *element* of this combination, namely, the Pierce oscillator. To paraphrase the last quotation,

> the second patent 2,133,642 covers matter [the Pierce oscillator] described in the prior patent [1,789,496] essentially distinct and separable from the invention [the combination of a transmitting and a receiving system] covered thereby [by the prior patent 1,789,-496] and claims made thereunder. . . .

It appears from what has been stated above, p. 5, that the Court of Appeals for the First Circuit agrees with this paraphrase, insofar as claims 1 and 3 of the plaintiff's expired patent 1,789,496 are concerned. It is only in connection with claim 2 of the expired patent 1,789,946 that the Court of Appeals for the First Circuit disagrees with this paraphrase.

The facts, however, are that the plaintiff's unexpired *element* patent 2,133,642 covers an oscillator, namely, the Pierce oscillator; and that the plaintiff's expired *combination* patent 1,789,496 covers a combined transmitting-and-receiving system. The Pierce oscillator, as an *element*, is an invention distinct and separable from the invention of the *combination*, the combined transmitting-and-receiving system. This is as much true of claim 2 of the expired patent 1,789,496, which recites *two Pierce oscillators* as *elements* of the combination, as of claims 1 and 3, which recite other *elements* of the *combination*.

The Court of Appeals for the First Circuit does not hold, as was held by this Court in the *Eagle Manufacturing Company* case, that the plaintiff's basic Pierce-oscillator element patent 2,133,642 is invalid for double patenting over the plaintiff's expired combination patent 1,789,496. The Court of Appeals for the First Circuit holds merely that there is some kind of undefined estoppel, preventing the plaintiff from asserting that the Pierce oscillator of his admittedly valid basic unexpired element patent is an invention separate and distinct from that of the combined transmitting-and-receiving system covered by the plaintiff's expired combination patent 1,789,496. Over and over again the opinion of the Court of Appeals for the First Circuit refers to this alleged estoppel in relation to the accused structures. Thus (pp. 674a, 675a and 679a):

> we do not understand how, *with respect to the accused structures*, these claims of patent No. 2,133,642 may be said to be a distinct and separate invention from that of claim 2 of the expired patent No. 1,789,496. . . .
>
> But when the generic "generating system" of claim 67 [of the plaintiff's unexpired patent 2,133,642] is read so as to *apply to the accused combination transmitting and receiving structures* in suit, then patent No. 2,133,642 claims nothing that is separate and distinct from claim 2 of patent No. 1,789,496. . . .
>
> We only hold that the generic patent No. 2,133,642 when read specifically on the *accused combined transmitting and receiving systems* discloses no invention distinct and separate from that of patent No. 1,789,496 (italics supplied).

Holdings of this character *with respect to the accused structure,* of course, may *always* be made, in *all* cases where two patents are obtained, one for a combination, and the other for an element of that combination. In *every* such case, therefore, if the reasoning of the Court of Appeals for the First Circuit is to prevail, the patentee will be unable to sue, for infringement of his unexpired basic *element* patent, any one who uses the invention of his expired *combination* patent.

There is no support in the *Eagle Manufacturing Company* case, however, for any such holding. All that this Court held, in that case, was that the second patent was invalid for double patenting; and as already explained, the Court of Appeals for the First Circuit has not held that the plaintiff's unexpired basic patent 2,133,642 is invalid for double patenting.

If the decision of the Court of Appeals for the First Circuit is correct, furthermore, then the United States Government misled the plaintiff when it purported to grant him his Pierce-oscillator element patent 2,133,642 for a period of seventeen years, and Section 4884, Revised Statutes, is without force and effect.

If the decision of the Court of Appeals is correct, indeed, then the Government has misled also thousands of other inventors who have innocently been led to believe that their later element patents were issued for periods of seventeen years.

The Government should have informed all these inventors that their later element patents were issued, not for periods of seventeen years, but, rather, for shorter periods respectively terminable with the expiration of their earlier combination patents.

G. *The Holdings Of The Court Of Appeals For The First Circuit Are Contrary, Furthermore, To The Express Provisions Of Sections 4(a) and 121 Of The New Patent Act of 1952.*

As one of the tests laid down for determining whether two patents cover the same or different inventions, this Court said, on p. 202 of the *Eagle Manufacturing Company* decision, that

> it distinctly appears that every claim of the 1881 patent could have been properly included and made a part of the 1879 patent.

This was not, however, true of the claims of the plaintiff's expired patent 1,789,496. As related above, the Patent Office held that the *combination* of the transmitting system and the receiving system constituted an invention distinct and separate from that of the *element*, the Pierce oscillator, and accordingly ordered division.

There was a time when an applicant for patent who complied with such an order for division by the Patent Office was in danger of having a court afterwards rule that the later of the two resulting patents was void for double patenting over the earlier of the two patents. During that period, the inventor was between Scylla and Charybdis. If he refused to comply with the requirement for division, he was unable to obtain any patent, at all. If he did comply, on the other hand, there was danger of a Court later holding double patenting.

The plaintiff's attorney, therefore, tried to persuade the Patent Office to withdraw its order of division. The Patent Office, however, refused to do so (R. p. 340a). The plaintiff was accordingly compelled, in compliance with this order

for division, to file the separate application for his now expired patent 1,789,496.

There are a large number of decisions holding, as pointed out by the District Court (R. p. 475a), that orders by the Patent Office for division "should not be lightly overruled." In *American Laundry Machinery Co.* v. *Prosperity Co., Inc.*, 2 Cir., 1924, 295 F. 819, 821, for example the Court of Appeals for the Second Circuit said:

> no applicant can justly be blamed for acquiescing in a command by lawful authority, much less can he properly be made to suffer loss by obedience.

In a dissenting opinion, *Application of Hirschhorn*, C.C. P.A., 1947, 162 F.2d 489, 497, Judge Bland, of the Court of Customs and Patent Appeals, said:

> As the situation stands now the inventor goes into the Patent Office and accepts or resists division at his peril. He is confused and confounded by the decisions of the courts and the decisions of the Patent Office tribunals.

Judge Bland's solution of the difficulty, that

> The question of course could be settled by legislation,

has, at last, been adopted in the new Patent Act of 1952. The very purpose of incorporating Section 121 into that new Patent Act was entirely to eliminate the danger of having a court invalidate, for double patenting, the later of several patents issued after a requirement for division.

This Section 121, quoted in Appendix B, provides that a patent (2,133,642) issued on an application in which the

Patent Office ordered division, or a patent (1,789,496) issued on the divisional application filed in compliance with this order,

> shall not be used as a reference . . . in the courts against . . . any patent issued on either of them.

Section 121 of this new Patent Act has been construed as not applicable to cases still on file in the Patent Office, in which division was ordered prior to the taking effect of the Act, *Application of Eisler,* 203 F. 726, 729. This is because, since the applications are still moldable, in the Patent Office, the Patent Office may still correct any error introduced by an erroneous order for division. Once the patents have issued, however, such molding is no longer possible. Section 4(a) of the Act, also quoted in Appendix B, therefore, contains a further provision, applicable to patents already issued, as distinguished from applications still on file in the Patent Office:

> Sec. 4(a) This Act shall take effect on January 1, 1953. . . . It shall apply to unexpired patents granted prior to such date except as otherwise provided.

Among the sections "otherwise provided" are those listed in the next following paragraphs of Section 4; and Section 121 is not among those so listed.

It has already been held, by both a District Court and the Court of Appeals of the Ninth Circuit, that any section of the Act not so listed is applicable to unexpired patents granted prior to January 1, 1953, which includes Section 121. In *Riley* v. *Broadway-Hale Stores, Inc.,* D.C., Cal., 114 F. Supp. 884, 887, the District Court said:

> Subdivisions (b) to (h), inclusive, each make specific exceptions of the applicability of certain sections of the 1952 Act. In none of them is any exception made of the applicability of Sections 251 and 252. . . .
>
> It is thus just about as clear as legislative language can make it, that Sections 251 and 252 apply to existing patents. . .

In *Pacific Contact Laboratories, Inc.* v. *Solex Laboratories, Inc.*, 9 Cir., 1953, 100 U.S.P.Q. 12, 14, the Court of Appeals for the Ninth Circuit said:

> we are dealing with an unexpired patent and § 4(a) of the revised Act (inclusive of § 103) contains the provision that the terms of the new Act "... shall apply to unexpired patents granted prior to such [effective] date [of the revised Act]," with certain exceptions not here pertinent.

It is true that Section 121 refers to "a requirement for restriction under this section," but it is the same kind of requirement that has always been made under the different terminology "order for division."

The Report from the Committee on the Judiciary, pp. 65-66, *infra*, reads:

> This section enacts as law existing practice with respect to division, at the same time introducing a number of changes.

These changes are then enumerated, including that,

> neither of the resulting patents can be held invalid over the other merely because of their being divided in several patents.

The "existing practice," as stated by the District Court (475a), had been that orders for division "should not be lightly overruled." The only change over this "existing practice" introduced by the Act was to omit the word "lightly" from this phrase.

It is believed that the Court of Appeals for the First Circuit should not have overruled the Patent Office order for division, "lightly," or otherwise, even under the previously existing law. The Court of Appeals for the First Circuit certainly should not have overruled that order for division after the expression of public policy that Congress initiated by that new Act of 1952.

Section 4(a) of the Patent Act expresses the will of Congress that, with very exceptions, the new Act, including Section 121, "shall apply to unexpired patents" already issued prior to the date of the Act, as well as to patents granted thereafter.

It therefore clearly was not intended by Congress to have a different rule for patents issued prior to the enactment of the Act than for those issued later. The Court of Appeals for the First Circuit has construed Section 4(a) of the new Patent Act in conflict with the construction by the District Court and the Court of Appeals for the Ninth Circuit.

The Court of Appeals for the First Circuit has ignored the express prohibition of Sections 121 and 4(a) of the new Patent Act.

VII. Conclusion.

In view of the widespread, serious and confusing impact that the decision of the Court of Appeals for the First Circuit may have upon our patent system as a result of the Court's misapplication of dictum and holdings in prior decisions of this Court, its holdings in conflict with those of other federal courts, and its ignoring the express prohibitions of the new Patent Act of 1952, it is respectfully urged that the petition should be granted, and that the judgment of the Circuit Court of Appeals for the First Circuit should be reviewed and reversed.

Respectfully submitted,

DAVID RINES,
Attorney for Petitioner.

RINES AND RINES,
ROBERT H. RINES,
Of Counsel.

APPENDIX A.

UNITED STATES OF AMERICA
DISTRICT OF NEW JERSEY.

I, William H. Tallyn, Clerk of the United States District Court for the District of New Jersey, do hereby certify that the annexed is a true copy of Memorandum on Motion for a Preliminary Injunction filed July 31, 1906 in the case of *Thompson-Houston Electric Co.* v. *Sunday Creek Company*, Equity No. 5233.

IN TESTIMONY WHEREOF, I have hereto subscribed my name and affixed the seal of said Court, at Trenton, in said District, this 22nd day of January, A. D. nineteen hundred and fifty-four.

WILLIAM H. TALLYN,
Clerk.

By (s) J. WALTER MORSE,
Deputy Clerk.

[SEAL.]

UNITED STATES CIRCUIT COURT, FOR THE DISTRICT OF NEW JERSEY.

Thompson-Houston Electric Company v. *Sunday Creek Company.*

In Equity.

On Motion for a Preliminary Injunction.

Betts, Sheffield & Betts, Solicitors.
L. F. H. Betts, of Counsel with the Complainant.
Stetson, Jennings & Russell, Solicitors.
Charles MacVeagh, H. H. Bliss, and
Glenn S. Noble, of Counsel with Defendant.

MEMORANDUM.

CROSS, *District Judge.* This matter is presented to the court on an application for a preliminary injunction. The patent in suit is No. 424,695, and was issued April 1, 1890, to one C. J. Van Depoele, for certain new and useful improvements in Suspended Switches and Traveling Contacts for Electric Railways. There are thirty-five claims in the patent, of which 3, 4, 11, 19, 20, 23, 25, 26 and 27 only are involved in this suit. Claims 3, 11, and 19 relate to the combination with an over-head conductor or trolley wire of an under-running contact device and a switch-plate secured to the conductor. Claims 4, 20, 23, 25, 26 and 27 relate to the trolley and the relative arrangement of the contact device and the over-head switches. All of the claims in suit have been sustained in numerous cases in the Circuit Courts, and after hard and protracted litigation in the second and sixth Circuit Courts of Appeals. *Thompson-Houston Electric Co.* v. *Ohio Brass Co. et al.,* 50 Fed. 712. Under the circumstances the only defences open on this motion are non-infringement and new evidence which must be of so conclusive a character that had it been introduced in the earlier cases, it would probably have led to a different conclusion. In *Edison Electric Light Co.* v. *Beacon Vacuum Pump &c. Co. et al.,* 54 Fed. 678, 679, Judge Colt says:

> "The general rule is that where the validity of a patent has been sustained by prior adjudication, and especially after a long, arduous, and expensive litigation, the only question open on motion for a preliminary injunction in a subsequent suit against another defendant is the question of infringement, the consideration of other defenses being postponed until final hearing. *Brush Electric Co.* v. *Accumulator Co.,* 50

Fed. Rep. 833; *Robertson* v. *Hill*, 6 Fish. Pat. Cas. 465; *Cary* v. *Domestic Co.*, 27 Fed. Rep. 299; *Coburn* v. *Clark*, 15 Fed. Rep. 804; *Mallory Manufacturing Co.* v. *Hickok*, 20 Fed. Rep. 116; *Green* v. *French*, 4 Ban. & A. 169; *Blanchard* v. *Reeves*, 1 Fish. Pat. Cas. 103; *Goodyear* v. *Rust*, 6 Blatchf. 229; *Cary* v. *Manufacturing Co.*, 24 Fed. Rep. 141; *Sargent Manufacturing Co.* v. *Woodruff*, 5 Bliss, 444; *Kirby Bung Manufacturing Co.* v. *White*, 1 McCrary, 155, 1 Fed. Rep. 604; *Putman* v. *Bottle Stopper Co.*, 38 Fed. Rep. 234; *Consolidated Bunging Apparatus Co.* v. *Peter Schoenhofen Brewing Co.*, 28 Fed. Rep. 428; *Newall* v. *Wilson*, 2 De Gex. M & G. 282; *Davenport* v. *Jepson*, 4 De Gex. F. & J. 440; *Bovill* v. *Goodier*, 35 Beav. 427.

The only exception to this general rule seems to be where the new evidence is of such a conclusive character that, if it had been introduced in the former case, it probably would have led to a different conclusion. The burden is on the defendant to establish this, and every reasonable doubt must be resolved against him. *Ladd* v. *Cameron*, 25 Fed. Rep. 37; *Cantrell* v. *Wallick*, 117 U.S. 689, 6 Sup. Ct. Rep. 970; *Winans* v. *Eaton*, 1 Fish. Pat. Cas. 181; *Machine Co.* v. *Adams*, 3 Ban. & A. 96; *Spring Co.* v. *Hall*, 37 Fed. Rep. 691; *Lockwood* v. *Faber*, 27 Fed. Rep. 63; *Glaenzer* v. *Wiederer*, 33 Fed. Rep. 583; *Cary* v. *Spring Bed Co.*, 26 Fed. Rep. 38.

See also *Putnam, et al.*, v. *Bay State Bottle Stopper Co. et al.*, 38 Fed. 235; *Electric Mf'g. Co.* v. *Edison Electric Light Co.*, 61 Fed. 834; *Westinghouse Electric Co.* v. *Royal Weaving Co.*, 115 Fed. 733; *A. B. Dick Co.* v. *Pomeroy Duplicator Co.*, 117 Fed. 154; *Mast, Foos Co.* v. *Stover Mfg. Co.*, 177 U.S. 485, 489.

Without going into the record at length, it is sufficient

to say that it discloses infringement by the defendant of some of the claims in controversy in this suit. The complainant's affidavits clearly show infringment, and no serious attempt is made to deny it. The complainant's testimony shows that some of the Electric Railways used and operated by the defendant, embody the essential features and elements of the inventions described in the claims of the patent in suit. Furthermore, the defendant is using switches manufactured under the complainant's patent, which were sold to it under a restricted license as follows, "licensed and agreed to be used only with trolley and car equipments purchased from the General Electric or Westinghouse Electric Manufacturing Company", licensees of the complainant. The defendant is using one or more motors manufactured by the General Electric or Westinghouse Companies, and their use in connection with such switches is unquestionably proper; but it is also using a large number of other locomotives manufactured by other makers than the complainant or its licensees in connection with the switches sold to it under the restricted license above mentioned. The patentee had the right to sell his invention with a restricted license as to the manner of its use and a breach of such condition or restriction is a violation of the license and an infringement of the patent. *Heaton &c., Co.* v. *Eureka Specialty Co., et al.*, 77 Fed. 288. In this case at page 290, Judge Lurton speaking for the Sixth Circuit Court of Appeals, says:

> "Undoubtedly, the general rule is that if a patentee make a structure embodying his invention, and unconditionally make a sale of it, the buyer acquires the right to use the machine without restrictions, and, when such machine is lawfully made and unconditionally sold, no restriction upon its use will be implied in favor of

the patentee. By such unconditional sale the machine passes without the limit of the monopoly. *Adams* v. *Burke,* 17 Wall. 453-457; *Mitchell* v. *Hawley,* 16 Wall 544-547; That the complainant has attempted to state a case not within this rule is very obvious, for it charges that every sale has been under an express restriction as to the use of the invention embodied in the machine. In view of the conspicuous character of both the machine and the notice permanently affixed thereon, every one buying must be conclusively presumed to have notice that the owners of the patents intended by the inscription on the machine to grant only a restricted license for its use, and it is difficult to see why such purchaser is not to be regarded as acquiring and accepting the structure subject to this restriction. The buyer of the machine undoubtedly obtains the title to the materials embodying the invention, subject to a reverter in case of violation of the conditions of the sale. But, as to the right to use the invention, he is obviously a mere licensee, having no interest in the monopoly granted by the letters patent. A license operates only as a waiver of the monopoly as to the licensee, and estops the licensor from exercising its prohibitory powers in derogation of the privileges conferred by him upon the licensee''. Rob. Pat. §§ 806-808. It has been said that the sole matter conveyed in a license is the right not to be used. *Hawks* v. *Swett,* 4 Hun. 146. A licensee is one who is not the owner of an interest in the patent, but who has, by contract, acquired a right to make or use or sell machines embodying the invention. *Gaylor* v. *Wilder,* 10 How. 477; *Oliver* v. *Chemical Works,* 109 U.S. 75, 3 Sup. Ct. 61; Rob. Pat. §§ 606-608. All alienations of a mere right to use the invention operate only as li-

censes. It must follow, therefore, that the purchaser of one of complainant's machines subject to a restricted use takes the structure with a license to use the invention only with staples made by the patentee. That the complainant sells the machine through jobbers, and not directly to those who buy for use, is immaterial, under the facts stated on the face of the bill. The jobber buys and sells subject to the restriction, and both have notice of the conditional character of the sale, and of the restriction on the use. *Supply Co.* v. *Bullard,* 17 Blatchf. 160 Fed. Cas. No. 894; *Cotton-Tie Co.* v. *Simmons,* 106 U.S. 89, 1 Sup. Ct. 59; * * * If a patentee may lawfully make and sell machines embodying his inventions, and restrict the use of the invention in respect of territory or time or business, or purposes to which it may be put, or material to be used in conjunction therewith, it would seem very obvious that the effect of the restrictions and limitations on the use would operate to prevent the machine from passing, as in the case of an unconditional sale, beyond the monopoly of the patent. The control reserved by the patentee as to the use of the machine has the effect of continuing it within the prohibition of the monopoly. The license defines the boundaries of a lawful use, and estops the licensor from the assertion of his monopoly contrary to its terms. On the other hand, a use prohibited by the license is a use in defiance of the monopoly reserved by the patentee, and necessarily an unlawful invasion of the rights secured to him by his patent. The license would be no defense to a suit for infringement by a use in excess of its terms. The patentee has the exclusive right of use, except in so far as he has parted with it by his license. The essence of the monopoly conferred by the grant of

letters patent is the exclusive right to use the invention or discovery described in the patent".

The principal above announced is well established and has been substantially followed in the following cases; *Edison Phonograph Co.* v. *Kauffman, et al.*, 105 Fed. 961; *Cortelyou et al.* v. *Low, et al.*, 111 Fed. 1005; *Victor Talking Machine Co.* v. *The Fair*, 123 Fed. 424, 426; *Bement* v. *National Harrow Co.*, 186 U.S. 70.

The defendant however, contends that notwithstanding the complainant's patent has been established by divers suits, it has new evidence which was not then considered, which nullifies the complainant's patent. Such evidence is claimed to reside in patent No. 333,352, to one Hervey Smith, issued December 29, 1885, for Conveyor Apparatus, relating to improvements in carrier systems, for store and other service. In setting up this defence the burden is upon the defendant to establish it, and every reasonable doubt must be resolved against it. It is true that this patent was not considered in the litigation which established the patent in suit, but patents in the same art and not unlike it in principle, were considered, and among them patent No. 326,929 issued to the same patentee. The patent now under consideration evidently embodied a device intended to convey in suitable cars running on a taut wire, cash or packages to different terminals, and as operated, used a switching system at the intersecting or branching of the wires or tracks, in order that such cars might be guided in different directions as desired. It is evident that the patent in suit relates to an entirely different art; it is in no sense analogous to the art embraced by the Smith patent. The latter uses a taut wire and a grooved wheel or wheels running on it, the conveyor travels on the upper side of the wire and is held in place by a weighted basket, and the problem

of shifting it to a branch track is in all respects similar to that of shifting an ordinary railway car from the main to a side track; the Smith conveyor is an over-running device, and there is no connection between it and a traction device running on another track. It is true that Smith says that his device may have under running wheels as well as over-running, but such under-running wheels he admits are not essential, but are intended to steady the car and prevent it from swinging or swaying while passing a switch; they apparently serve no purpose whatever in operating the switch; the conveyor can be switched as well without as with them. The Smith patent, has no suspended conductor, no upward pressing contact device, no guiding switchplate, no cooperating car on an independent track, and no trailing arm attached to the car, making upward pressure through its contact device with the conductor and switch, all of which are essential elements of the patent in suit. As already mentioned, the Smith patent does not at all disclose an under-running trolley system, but rather the over-running cash-carrier system. Smith's switch is of the frog type with a set tongue which controls the operation of the trolley wheel; its use is not unlike that ordinarily found in railway tracks. Such a frog has no direct action whatever, but allows a wheel that has been switched or guided by some outside agency, to pass a point where two rails meet or cross. Speaking of the ordinary track frog, Judge Wallace who delivered the opinion of the Circuit Court of Appeals of the Second Circuit, says, "the ordinary track-frog as a constructural device, has only a remote resemblance to it. The suggestion that it could be utilized in an over-head line wire junction, would seem ludicrous; and it could only be done by denuding it of its most conspicuous characteristics". In the Smith's construction the meeting rails are over-lapped, and whatever direction the wheel takes it con-

stantly embraces the rail between its flanges, while in the patent in suit the wheel flanges escape completely from the conductor ribs, and run freely in a smooth passage over the plate which is itself free from obstruction, and the wheel would manifestly jump the track were it not prevented by the outside depending edges of the switch-plate. The patent in suit has been successful; devices for switching an electric railway trolley by the use of frogs have generally been unsuccessful. The Smith patent cited is in principle so nearly like some which were considered in the suits establishing the validity of the complainant's patent; and so obviously belongs to a foreign art, that it demands no further attention at this time. The defendant, has certainly not established, this alleged new defence, beyond a reasonable doubt, whatever it may be able to do upon full proofs at final hearing.

The defendant further claims however, that it has the right to use the switches under the patent in suit, because Van Depoele, in an endeavor to improve his original switch plate, took out two patents known as Nos. 393,278 and 397,451, which have expired. The applications for these patents were filed subsequently to the filing of the application for the patent in suit, but the issue of the patent on the latter application was so long delayed in the patent office, that the improvement patents were issued prior to the original patent, and as they have expired, it is claimed that they may rightfully be used by the defendant. It is the claims however, which fix the bounds of the inventor's monopoly. It is not contended that the improvement patents are for the same invention as those of the original patent. A case of double patenting is not therefore presented. In the case of the complainant v. Elmira & H. Ry. Co. (supra) it was said that "the granting of patents for distinct structural improvements pending an application

for the broad invention, will not invalidate a patent subsequently granted for the latter, although the elements covered by the claims were described and illustrated, but not claimed in the earlier patents. The claims of the original patent, notwithstanding the expiration of the improvement patents, are as valid and effective as ever, and will continue so until the full statutory term of seventeen years from its issue has elapsed. Articles manufactured under and pursuant to the claims of the improvement patents may undoubtedly be made without infringement of the claims of those patents. In this case, however, there is a generic patent still existing upon which the improvement patents depends, and without which they cannot be used. The owner of the existing patent has the same right to prevent the infringement of its claims that it ever had. This matter was fully considered in the cases establishing the validity of the patent in suit already referred to, and its protracted discussion here and now is unnecessary. The point was there raised that the existence of the improved patents invalidated the claims of the patent in suit, or otherwise its existence would be prolonged beyond the statutory period, but the contrary was held, notwithstanding such determination might seemingly result in prolonging the statutory monopoly. In *Thompson-Houston Electric Co.* v. *Ohio Brass Co.* (supra) at pages 726 the court said "the patent for the improvement expires in seventeen years, after that anyone may use the improvement without infringing the patent issued upon it. If he uses the infringement without a license to use the main invention, he is liable for the infringement, not of the patent for the improvement, but of the patent for the main invention, and in estimating the damages for the same, the value of the main invention, and not that of the improvement, would be the basis for estimating the damages". The expiration of the two subsidiary patents of Van Depoele obviously did not affect those claims

of the patent in suit which are devoted to the relative arrangement of the conductor switch and the trolley or contact device on the top of the car; these claims are unaffected by the expiration of the improvement patents. It has been strongly urged on behalf of the defendant, that the decision of Judge Kohlsaat, in *Thompson-Houston Electric Company* v. *Illinois Telephone Const. Co.*, 143 Fed. 534, is directly opposed to the contention of the complainant herein, and that in conformity therewith a preliminary injunction should not be issued. That decision is certainly entitled to great weight with this court, but it is not controlling. A careful reading of the opinion of the learned Judge shows that it was not based, or at least was not entirely based upon the ground of the expiration of the improvement patents. On the contrary an equitable estopel was found to exist therein, "which" as the Judge said, "for the purpose of this hearing make it the duty of the court to deny the motion for a preliminary injunction", and this seems to have been the real basis of his decision. There are no facts found in this case, which, in my opinion, estop the complainant, nor has it been shown to be guilty of laches as claimed. It seems to me therefore, with great respect, that the discussion by Judge Kohlsaat above referred to, is somewhat academic as he has termed a similar discussion in the decisions of the Circuit Courts of Appeal, establishing the patent in suit. But however that may be, I am not convinced that the expiration of the improvement patents throw open to the public the right to use the patent in suit to the extent the defendant claims. Whatever was claimed by the expired patent is open to public use, but nothing more. And if such use trenches upon the claims of an existing generic patent, then a license must be obtained from the holder of the existing patent, or such use will be enjoined. Both of the expired patents were before the Circuit Courts of Appeal, and in view of those decisions

and the many authorities cited in them, and in the complainant's brief of like import, I shall upon the case as now presented, upon ex parte affidavits, allow the complainant a preliminary injunction. The injunction however, should, except from its operation all motors made by the complainant or its licensees when used in connection with licensed switches, and should, under the circumstances, not be made operative until after a period of sixty days to afford the defendant opportunity to adjust its business with reference thereto. Furthermore, the injunction will only issue after a bond shall have been given to the defendant in the penal sum of ten thousand dollars, conditioned to indemnify it against any and all damages that may accrue to it from its issuance in case it should be held hereafter that such preliminary injunction was improvidently issued.

(s) JOSEPH CROSS, *Judge.*

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UNITED STATES CIRCUIT COURT,
DISTRICT OF NEW JERSEY.

: In Equity.

THOMPSON-HOUSTON ELECTRIC CO.
v.
SUNDAY CREEK COMPANY.

ON MOTION FOR A PRELIMINARY INJUNCTION.

MEMORANDUM.
CROSS, *District Judge.*

Filed July 31, 1906.
H. A. OLIPHANT, *Clerk.*

APPENDIX B.

Title 35, The Patent Act of 1952, United States Code, Public Law 593, 82nd Congress, 2nd Session, Chap. 950, 66 Stat. 792, approved July 19, 1952, to take effect January 1, 1953, Section 121 reads as follows:

> Sec. 121. Divisional applications. If two or more independent and distinct inventions are claimed in one application, the Commissioner may require the application to be restricted to one of the inventions. If the other invention is made the subject of a divisional application which complies with the requirements of section 120 of this title it shall be entitled to the benefit of the filing date of the original application. A patent issuing on an application with respect to which a requirement for restriction under this section has been made, or on an application filed as a result of such a requirement, shall not be used as a reference either in the Patent Office or in the courts against a divisional application or against the original application or any patent issued on either of them, if the divisional application is filed before the issuance of the patent on the other application. If a divisional application is directed solely to subject matter described and claimed in the original application as filed, the Commissioner may dispense with signing and execution by the inventor. The validity of a patent shall not be questioned for failure of the Commissioner to require the application to be restricted to one invention.

The Report from the Committee On The Judiciary of the House of Representatives, 82nd Congress, 2nd Session, House Report No. 1923, May 12, 1952, describes Section 121 as follows, page 20:

Section 121. New Section.

This section enacts as law existing practice with respect to division, at the same time introducing a number of changes. Division is made discretionary with the Commissioner. The requirements of section 120 are made applicable and neither of the resulting patents can be held invalid over the other merely because of their being divided in several patents. In some cases a divisional application may be filed by the assignee.

Section 4(a) of the Patent Act of 1952 reads as follows:

> This Act shall take effect on January 1, 1953 and shall apply to all applications for patent filed on or after such date and to all patents granted on such applications. It shall apply to further proceedings on applications pending on such date and to patents granted on such applications except as otherwise provided. It shall apply to unexpired patents granted prior to such date except as otherwise provided.

Section 4888 of the Revised Statutes, in force at the time of the filing of the application for the present patent in suit, read as follows:

> Before any inventor or discoverer shall receive a patent for his invention or discovery, he shall make application therefor, in writing, to the Commissioner of Patents, and shall file in the Patent Office a written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it

appertains, or with which it is most nearly connected, to make, construct, compound, and use the same; and in case of a machine, he shall explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions; and he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery. The specification and claim shall be signed by the inventor.

Section 4884 of the Revised Statutes, in force at the time of the filing of the application for the present patent in suit, read as follows:

Every patent shall contain a short title or description of the invention or discovery, correctly indicating its nature and design, and a grant to the patentee, his heirs or assigns, for the term of seventeen years, of the exclusive right to make, use, and vend the invention or discovery throughout the United States and the Territories thereof, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

APPENDIX C.

It has been stated, on pp. 21, 28 and 37, *supra*, that, in *Electric Storage Battery Company* v. *Buffalo Electric Carriage Company*, C.C., N.Y., 1902, 117 F. 314, aff. 2 Cir., 1903, 120 F. 672, certiorari denied, 181 U.S. 741, the Circuit Court and the Court of Appeals for the Second Circuit expressed themselves emphatically upon the point that the same rules apply whether the earlier patent, to the same inventor, has or has not expired.

Reference to the decision of the Circuit Court, in that case shows that at least three prior patents to the same inventor had expired at the time of the suit.

If the petition for certiorari should be granted, the petitioner will file a motion to supplement the record, in order to demonstrate that one of these three prior patents, No. 275,985, which expired April 17, 1900, covered a complete combination, namely, a battery, and that the unexpired patent in suit, No. 337,299, covered merely an element, namely, one of the coated electrode plates of that battery. This will readily appear from, for example, the first claim of each of the two patents (italics supplied):

Claim 1 of the Element Patent 337,299	Claim 1 of the Complete-Combination Patent 275,985
A secondary-battery *element* or electrode consisting of	The *combination*, in a secondary battery,
a plate or suitable support	of *plates or elements*

primarily coated or combined with mechanically-applied *active material* or material adapted to become active,	provided with an *active coating*
	with separating and insulating strips, and a battery fluid in which the said active coating is insoluble,
substantially as set forth.	substantially as set forth.

The petitioner will further show that the defendants, in that suit, were charged with infringement of the element patent 337,299 by reason of their use of the precise battery covered by the expired combination patent 275,985; and that the defendants argued that the combination patent 275,985

> is for a completed battery. . . . It covers the patent in its entirety, which the appellant has been enjoined from using. The patent [337,299] sued on simply takes out and claims *a necessary and essential element of the battery of this prior patent* [275,985], without which the battery is inoperative and useless (italics the defendant's).

The Circuit Court, 117 F. 314, and the Court of Appeals for the Second Circuit, 120 F. 672, certiorari denied, 188 U.S. 741, overruled this argument.